

Calculation of the Office of Statewide Health Planning and Development's (OSHPD) Case Mix Index (CMI)

To construct the CMI, OSHPD uses the Health Care Financing Administration's (HCFA) Grouper software system and Diagnosis Related Groups (DRG) weights.

- Patients are assigned to one of over 500 DRGs (based on the principal and secondary diagnoses, age, procedures performed, the presence of co-morbidity and/or complications, discharge status, and gender).
- Each DRG has a numeric weight* reflecting the national "average hospital resource consumption" by patients for that DRG, relative to the national "average hospital resource consumption" of all patients.
- Although the DRG weights are based on resource consumption by Medicare patients, OSHPD applies them to all patient discharge data reported by hospitals in California during the course of a calendar year.
- The OSHPD case mix index is then calculated by averaging the DRG weight of patients discharged within the calendar year, i.e., the sum of the DRG weights divided by the number of patients.

*HCFA implements revisions to the DRG weights on October 1, the beginning of the Federal fiscal year. These are published annually in Table 5 of the Federal Register. OSHPD uses the version released October 1 on their data for the following calendar year.